

APPENDIX III.A
CIRCULAR LETTER OF BANK INDONESIA
NUMBER 17/31/DPSP DATED 13 NOVEMBER 2015
CONCERNING
OPERATION OF SECURITIES ADMINISTRATION
THROUGH BANK INDONESIA-SCRIPTLESS SECURITIES
SETTLEMENT SYSTEM

**GUIDELINES FOR DEVELOPING
A WRITTEN POLICY AND PROCEDURE OF BI-SSSS**

The written Policy and Procedure (KPT-*Kebijakan dan Prosedur Tertulis*) developed by Participants at least should meet systematics and materials as follows:

1. SYSTEMATICS

KPT Systematics cover:

Chapter I : Introduction

Chapter II : Operating Organization of BI-SSSS

Chapter III : Provisions and Operating Procedures of BI-SSSS

Chapter IV : Operational Supervision of BI-SSSS

Chapter V : Handling Abnormal Conditions and/or Emergency Situations

Attachments in the form of flow charts

2. MATERIALS

Materials or contents of KPT include:

a. Chapter I: Introduction

1) Background

This sub-chapter describes briefly the background of KPT development, among others considerations on the needs for creating operating guidelines of BI-SSSS in writing, whether consideration due to obligations according to the applicable regulation and other considerations.

2) The Objectives of BI-SSSS Usage

This sub-chapter describes the objectives of BI-SSSS usage, both in general which is based on BI regulation, and the specific objective of the concerned Participant in using the system.

3) Legal Basis

This sub-chapter specifies the legal basis underlying the development of KPT covering regulation set by Operator and regulation set by Participants, among others decision letters and/or other written regulations.

4) Definition/Terminology/General Understanding

This sub-chapter describes definitions/terminologies/general understanding used in the materials for KPT development, among

others...

others such as BI-SSSS Central Node (SCN), Back-up SCN, BI-SSSS Participant Platform (SPP), SPP Application, and other terminologies specifically used in the internal system of Participants related to BI-SSSS.

b. Chapter II: Operating Organization of BI-SSSS

1) Organizational Structure of Implementing Work Unit of BI-SSSS

This sub-chapter describes and includes organizational structure chart, both that covers departments or units/work units responsible for operational activities of BI-SSSS, units/work units of Participants related to BI-SSSS, and scopes of authority and responsibility in general. In this sub-chapter it is also explained the system and connection between BI-SSSS and internal system of Participants.

2) Person in Charge of BI-SSSS

This sub-chapter describes and specifies both position and title of the person in charge in each phase of operational activities of BI-SSSS that includes:

- a) Development and maintenance of digital certificate;
- b) Development and maintenance of user-ID and password;
- c) Maintenance of SPP Server and SPP Client;
- d) Maintenance of hardware and computer network;
- e) Maintenance of master file;
- f) Implementation of transactions;
- g) Liquidity Management; and
- h) Reconciliation.

3) Operating Authority of BI-SSSS

This sub-chapter describes and specifies duties and authorities of each function:

- a) Manager/Administrator (position in the organizational structure);
- b) Supervisor (position in the organizational structure);
- c) Operator (position in the organizational structure); and
- d) Viewer (position in the organizational structure).

4) Security System

This sub-chapter describes the security system used in each activity related to BI-SSSS operations, both physical and non-physical such as digital certificate, user-ID, password, separation

of duty between operator, supervisor dan administrator for operational risk management, and others.

5) Administration of Archives

This sub-chapter describes the procedures conducted in the administration of archives, whether paper transactions, backup data, user-ID password, etc.

c. Chapter III: Provisions and Operational Procedure of BI-SSSS

1) System start up

This sub-chapter describes measures performed in the system start-up of SPP application.

2) Implementing Procedure of Transaction Settlements

This sub-chapter describes policies, plots, and activities conducted in the executions of transaction settlements both in the context of transactions with Bank Indonesia, the Government, and between Participants.

3) Procedures of Transaction Settlements and Recording on behalf of Customers

This sub-chapter describes policies, plots, and activities conducted by Sub-Registry Participants in the executions of transaction settlements and recording of transaction settlements conducted by customers, including the reporting on the recording results to customers.

4) End-of-Day Activities

This sub-chapter describes measures conducted at the end of the day, among others shutting down SPP system, printing reports, and performing back-up data.

d. Chapter IV: Operational Supervision of BI-SSSS

1) Operational Supervision of BI-SSSS

This sub-chapter describes measures conducted in the context of supervision of transaction settlements through BI-SSSS and internal system Participants of Sub-Registry. The supervision that can be done among others review the status and history of transaction settlements, and unresolved transactions.

2) Customer Protection

This sub-chapter describes measures conducted by Participants in order to meet their obligations related to customer protection among others in the execution of customer transaction settlements, forwarding customers rights on the payments of

coupon/interest or yield, repayments of principal, and compensation to customers upon delay in payment.

3) Reporting to Management

This sub-chapter describes measures conducted in order to make reports on the execution of transaction settlements.

e. Chapter V: Security System and Handling Abnormal Conditions and/or Emergency Situations

This chapter describes the procedures/measures/stages conducted in the context of security system and procedures/measures/stages in the event the main system and/or backup system cannot function to execute transaction settlements, among others including:

1) Prevention

- a) Prevention of damage to computer systems;
- b) Prevention of sabotage;
- c) Prevention in connection with power failures;
- d) Prevention of fire;
- e) Prevention of flood; and
- f) Prevention of riots.

2) Recovery

- a) Implementation of daily backup data;
- b) Periodical trials to backup files (once a month);
- c) Periodical trials to backup system for operational activities; and
- d) Trials of business continuity plan.

3) Procedures in Abnormal Conditions and/or Emergency Situations, among others include:

- a) Countermeasures Abnormal Conditions, among others in the case of disruptions in SCN, Main SPP, Main SPP and Backup SPP, and Data Communication Network (*JKD-Jaringan Komunikasi Data*); and
- b) Emergency Relief.

f. Attachment

KPT is completed with a flowchart of work process as the KPT Attachment.

3. KPT DOCUMENTATION

This chapter describes briefly among others on the parties which responsible for the development and the updating of KPT, and also the control of KPT.

BANK INDONESIA,

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